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DIA WASHDC

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STATE FOR EAP/TB AND INR/B

E.O. 12356: DECL: OADR
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SUBJECT: CORRUPTION AND THE BURMESE JUNTA

REF: 91 RANGOON 3469

11. CONFIDENTIAL ENTIRE TEXT.

12. DURING A RECENT LENGTHY TALK WITH CHARGE, A LEADING THAI BUSINESSMAN WITH OVER 100 FISHING BOATS PLYING BURMESE WATERS PROVIDED CHAPTER AND VERSE ON CORRUPTION AMONG RANGOON'S RULING GENERALS. ADMITTING THAT HE PERSONALLY MULES IN ABOUT 50,000 DOLLARS IN CASH DURING WEEKLY TRIPS TO BURMA, THE ENTREPRENEUR SAID THAT PERHAPS 15 PERCENT OF THIS MONEY WAS EARMARKED FOR PAYOFFS TO SENIOR GENERALS. (THE REMAINDER GOES TO THE GOB FOR FISHING RIGHTS.)

13. DILATING ON WHO GETS WHAT, THE THAI BUSINESSMAN NOTED THAT FORMER MINISTER FOR FISHERIES LIEUTENANT GENERAL CHIT SWE HAD LONG BEEN THE "PRIME RECIPIENT". "TAUGHT BY THE THAI", HE SAID, "THE MINISTER HAS AN EXQUISITE SENSE AS TO HOW TO RECEIVE A BRIBE AND YET PRESERVE SOME DEGREE OF DENIABILITY." ACCORDINGLY, CHIT SWE DECLINES ONE-ON-ONE SESSIONS WITH THAI BUSINESSMEN, INSISTING THAT ALL DISCREET DEALINGS BE WITH HIS SON WHO ALSO ESCORTS DEPARTING ENTREPRENEURS THROUGH CUSTOMS WITHOUT THE USUAL CHECKS AS PART OF THE FAMILY'S SERVICES. COMMENT: MOST RECENTLY, CHIT SWE'S SON CAME TO THE AIRPORT ON 20 MINUTES NOTICE TO SQUIRE A GROUP OF SOME 60 THAI ENTREPRENEURS THROUGH CUSTOMS.

14. AS FOR OTHER DEALINGS WITH MEMBERS OF THE RULING STATE LAW AND ORDER RESTORATION COUNCIL (SLORC), THE BUSINESSMAN OBSERVED THAT ARMY CHIEF OF STAFF TIN 00 WAS ALSO A RECIPIENT OF DIVERSE GRATUITIES. HOWEVER, MAJOR GENERAL TIN 00 HAD A REPUTATION FOR "RENEGOTIATING DEALS AND OTHERWISE BEING DIFFICULT". MOREOVER, EVER SINCE HIS TEENAGE SON HAD RECEIVED A MERCEDES BENZ FOR BROKERING ONE DEAL AND TAKEN TO DRIVING IT AROUND TOWN, TIN 00 HAS BEEN UNDER CLOSE SCRUTINY BY THE BURMESE MILITARY INTELLIGENCE (DDSI) WHOSE AGENTS CONDUCT SPOT CHECKS ON HIS RESIDENCE. COMMENT: ACCORDING TO THIS BUSINESSMAN AND ANOTHER SOURCE, INTELLIGENCE CHIEF KHIN NYUNT FORCED TIN 00 TO TURN THE MERCEDES BENZ OVER TO THE GOB.

15. WHILE HIS OWN BUSINESS DEALINGS DO NOT INVOLVE ANY OF THE JUNTA'S TRUE HEAVYWEIGHTS, THE THAI ENTREPRENEUR NOTED THAT SEVERAL OF HIS PEERS HAVE HAD DEALINGS WITH KHIN NYUNT'S WIFE -- WHO HAS A FONDNESS FOR EXPENSIVE JEWELRY -- AND WITH THE SON OF NEW HEAD OF STATE THAN SHWE. IN BOTH INSTANCES, GRATUITIES HAVE ESSENTIALLY BEEN LIMITED TO COMPARATIVELY MODEST GIFTS AS A REWARD FOR INFLUENCE PEDDLING. DESPITE THAN SHWE'S APRIL 23 PROMOTION, THE BUSINESSMAN DOUBTED THAT BURMA'S NEW LEADER WOULD "ENRICH HIMSELF UNDULY ON THE JOB" OR "ALLOW CORRUPTION BY OTHER GENERALS TO INCREASE". IN THIS REGARD, THE BUSINESSMAN OBSERVED THAT GENERAL THAN SHWE LIVED AUSTERELY EVEN BY BURMESE STANDARDS AND HAD LITTLE USE FOR SUCH WESTERN LUXURIES AS AIR CONDITIONING.

HUDDLE